

VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL
December 5, 2006



10:00 AM to 1:00 P M
DEQ Piedmont Regional Office, Glen Allen, Virginia
DRAFT MINUTES

1. Welcome and Introductions

Thomas Smith, RMDC Chair, called the meeting to order at 10:05 A.M. and welcomed the members of the Virginia Recycling Markets Development Council and members of the public to the meeting. Members present and absent are reported below.

RMDC	Representing	Absent RMDC	
Philip Abraham	Plastics Industry	Richard Lerner	Metal Industry
Diane Jones	Rural PDC	Sean Kumar	Public At Large
W.A. Dennison Jr.	VML	Michael Ward	Oil Industry
Tom Smith	VACO	John Kline	Tires
Eric Fidler	Electronics		
Steve Thompson	Aluminum Industry		
Chip Goyette	Urban PDC		
Bernard Harris	Waste Industry	VACANT	Recycling
Michael Benedetto	Paper Industry		
Bryan Vickors for Andrew Bopp	Glass Industry		
Robert Broom	Compost Industry	STAFF	Representing
Georgiana Ball	VDGS	Steve Coe	DEQ
William Bailey	VDOT	Michael Murphy	DEQ
William Vehrs	VDBA		

Visitors	Representing

2. Determining Quorum

A quorum for the Virginia RMDC has been established as a simple majority of the appointed members to the Council. A total of 11 of the appointed members were in attendance at the start of the meeting, therefore a quorum was in place. There is one vacancy, the Recycling Representative. The VRA and the DEQ were looking at interested parties. Mr. Coe noted that the position can be requested

through a nomination from an organization or agency or an individual can nominate themselves.

3. Approval of Agenda

The Chair asked the committee members to review the meeting agenda. No objections were raised so the proposed agenda was accepted. Mr. Thompson moved for approval of the agenda and Mr. Abraham seconded. All members voted in favor of the motion.

4. Approval of Minutes

The minutes of the September 26, 2006 meeting were reviewed. No corrections were submitted. The Council was motioned for approval. Mr. Harris approved. Mr. Goyette seconded. All members voted in favor of the motion.

5. Old Business

(a) Report from Local Government Assistance Subcommittee

The subcommittee chair, Mr. Fidler reported. Mr. Smith stepped down as the subcommittee chair to fulfill his new position as Council chair. Mr. Fidler is now chair of the subcommittee.

Based on a work plan presented at the last meeting of the RMDC, a proposal to do a study was developed. The main goal is to look at hindrances to recycle in Virginia and how can we assist. The proposal shows three topics of study. Look at the hindrances, the positive economic impacts of the industry, and how are other states funding their recycling efforts. Mr. Fidler suggested a cost of \$50,000 to hire a consultant. He asked if the hiring and overseeing of the study would go through DEQ. Was this an amendment to the state budget? Mr. Fidler talked about the need to obtain data from the private sector. He believed the hindrance portion can be developed by the Council and that VRA volunteers may be willing to help perform the survey by phone.

Mr. Abraham expressed concerns about asking DEQ to hire a consultant. Is this appropriate? How will our expertise be utilized? He felt that tasks 1 & 2 were consistent with our mission. He questioned task #3 as being consistent. Is funding part of our mission? Should DEQ hire the consultant on their own and put it in their budget? He noted that funding issues in the past caused the Council problems. The State looks to the Council to do the work. It was a selling point for the Council that its' work be free. Mr. Goyette explained that the main reason we were looking at funding, was to look at state level hindrances. We need to educate State Legislators on the state of the recycling in Virginia.

Chairman Smith noted that Council members were people with fulltime jobs. He felt we could do data gathering and asked that Mrs. Jones continue to receive input on and refine the surveys forms and that she also work on vendor lists. DEQ can provide public sector contact information. He asked that the subcommittee continue to meet and work on the survey. Set a goal to have data gathered by our next meeting. He still felt that professional consultants would be needed to look at the regulatory issue. What is hindering recycling becoming a healthy economic industry in our state and what others are doing to succeed? Mr. Bailey suggested utilizing a university graduate student. Mr. Murphy noted that the state was cash strapped. Budget funding is focused on transportation. Also, the Council request is out of sequence. DEQ worked its budget in July.

It was decided that the subcommittee attempt the survey first. This survey could be support data to input funding request on budget cycle, spring months. DEQ budget request is due in July. Also, the Council will need to do a sponsor search themselves.

Steve Coe, showed favor with utilizing a University to do this work. With regards to task #2, EPA, the Carolinas and Georgia have done such studies recently. Chairman Smith suggested the Council hold on requesting funds and work to refine scope of work. Mr. Murphy, DEQ offered to bring information on other States: their budgets, fund sources, how dollars are being spent, department structure, job descriptions, and recycle rates. A lot of states have moved to diversion rates. Mr. Fidler liked the idea of using the industry experts we have on Council. Could they report on their industries recycling trends?

Mr. Coe noted that the state recycling equipment tax credit could be of interest to the Council in relation to task #1. Mr. Benedetto said the tax credit is only for C corporations. LLC, past due entities, S Corporations and Partnerships were excluded when the credit was revised in 2004. He feels the original intent of the credit was for all such businesses not just C corporations. There are also stringent limits on the types of equipment that fall under the credits. Tax challenges in 2004 were that it was fixed equipment only. There is work currently under way to amend the law. The law can be found @ §58.1-320. Chairman Smith asked Mr. Murphy if he would also look at other states and what recycling related tax credits might exist. Mr. Benedetto noted that a draft bill has been submitted and that Senator Blevins, is the sponsor. Comments are due by December 10, 2006. Comments and Senator Blevins review of bill verbiage will then be reviewed by Mr. Benedetto's accounting firm for final wording due January 11, 2007. The Council supported this effort. Mr. Thompson asked if Mr. Murphy could steer a letter from the Council to the proper channels. Mr. Murphy agreed. There was a motion by Mr. Thompson to have Mr. Benedetto write a letter for Council to send through DEQ for proper channeling. Mr. Fidler seconded. Mr. Dennison was reluctant to support a blanket endorsement before seeing. Chairman Smith offered emailing the letter and Council can review

before support. The letter will be more in support of the concept.. Mr. Thompson and Mr. Fidler motioned the changes / discussion. Mr. Broom noted that the equipment used in the organics industry was mostly mobile and excluded from the credit. Grinders were an example. Originally "Capital Equipment" was the predominant word. Mr. Coe will look at that wording. Chairman Smith agreed that we needed to look at this wording and make future recommendations. Mr. Murphy suggested that one reason the mobile equipment was excluded could be that the equipment could cross state lines.

6. New Business

(a) DEQ Update

Mr. Coe provided the Council with reports. The state recycling rate for 2005 was 32.2%, this is up. There were 74 reports which indicate more consolidation of reporting. In 2006, the Bill allowing 2-tiered reporting will be in effect. Some jurisdictions will be allowed to meet 15% vs. 25%. Mr. Coe reported that there was no new legislation at this time, specific to recycling. He reported on DEQs' work with EPA. Under Resource Conversation challenges they are focusing on electronics recycling and the national recycling rate of 35%. EPA Region 3's work will focus on capturing waste paper from multi tenant business properties. It is believed that paper is being recycled but the numbers are not being captured in reporting. One initiative will be to study just how much paper is generated. Work will be with haulers and property management firms. Secondly, they want to target food waste. They will try and identify Virginia generators, such as Universities, and do pilots to get to data. Networking is ongoing to identify composting facilities. DEQ will look at input of this feed stock. A lot of these facilities, and the Virginia regulations, are geared towards yard waste. DEQ is also looking at the Solid Waste Management Regulations so they reflect legislative changes from 2006. These changes will need to be incorporated. Lastly, DEQ is working with the Office of Pollution Prevention on various waste minimization programs.

Mr. Dennison questioned the work on the electronics. He is concerned about processing. Are there any certifications or guidelines being formulated? Mr. Coe reported that these are the key concerns. DEQ wants to be able to identify legitimate processors that meet specific guideline requirements. Mr. Dennison asked if any other EPA regions were working on this. Mr. Coe believed that EPA Region 4 was also looking at the issue. Mr. Fidler, noted that food waste, comprised 12 % overall of the waste stream. Right now, only 2% is being captured. He liked that EPA was looking at universities and government facilities. Mr. Coe noted that the EPA would like to capture 25% of that overall 12%. Mr. Vehrs noted that West Virginia has more composters on record. Most are farms (yard waste.) This organic is different in process from food waste. US FDA, MACA, and the National Composting Association are at the beginning of the process. They are working to get interested parties together/motivated. Mr.

Broom noted that organics are covered under Virginia regulations that are under yard waste rules. There are no current regulations for food wastes. Low landfill rates discourage the situation as well. Another factor is the corporate farming industry. Animal feed is from one market source with strict ingredient guides.

Chairman Smith asked if there was change in law to include auto bodies in recycling. Mr. Coe noted that we have always allowed cars if they are part of the DMV abandoned vehicle program.

Handouts included

(b.) Markets Report – Electronics

Eric Fidler, Esquire Environmental Services

Mr. Fidler started out by pointing to the definition for processing. Is it recapturing as diversion or recycling? Currently it is believed that electronics make up 2-5% of landfill volume. EPA estimates that less than 10% of all electronic manufactured since 2001 have been recycled. EPA has a guide for the recycling of CRT's which contain between 4 to 8 lbs of lead each. A lot of recyclers do materials recovery of precious metals. Then landfill the rest of it. Down stream vendors could be in the hundreds. Current trend in the industry includes the growing awareness of businesses with regards to liability. They are hiring firms to do document trail using manifests. The desire for information destruction is also a new concern. Many developing countries can use our waste and refurbishers are popular. There is a market tightening. Residual values are tightening. Majority of the electronics do end up in foreign countries such as Asia or Vietnam. There is no documentation of how materials are handled once they leave the Country. Which brings us back to Mr. Coe's work with downstream records and "approved" processing? CRT's can be marketed as TV's overseas. CRT's that go to China are often used to retrieve the copper. Right now it's kind of like a wild west.

New TV's are coming! In 2008 the analog signal is out and HDTV High Definition (new band width) is in. A converters will be necessary to use old TV's which run \$400.00. The disposal industry should prepare for an influx of TV's. Also, he noted that the new flat screen HDTV's are going to be a problem in future as they contain mercury. Most all plastics used in phones and electronic equipment hold fire retardants. (Chemicals and petroleum.) But they are hard to sell or make a profit. Mr. Fidler covered what other states are doing. CA subsidizes the program @45 cents per pound. House bill 575 in Maryland is a pilot program. Manufacturers are taxed to sell in the state. MD uses the revenue to fund electronics collection grants.

Mr. Broom asked if Virginia had looked at this situation. Mr. Broom asked if there was any idea of how many TV's might be out there when the change in signals occurs. Mr. Fidler said the average household has 5-7 TV's. Mr. Broom felt the problem needed to be defined and our state legislators needed to be made aware of the situation. Chairman Smith, Mrs. Jones and Mr. Harris noted that right now, their local governments were handling the costs and responsibilities of such disposals. Fees run from \$10 to \$20 per

TV and average \$7 per CRT. Such an influx of materials would be devastating financially. Mr. Fidler noted that CRT's do cost to handle. CRT's also have lead and mercury; 4-8 lbs of lead per.

Mr. Coe noted that the state population is 7 million and there are 3.5 million homes. Therefore the television waste stream could potentially be from 17,500,000 to 24,500,000. Mr. Goyette pointed out that the state of Virginia regulations gives local governments the ability to ban CRT's; however only if there is an infrastructure in place to handle them. There is not one in place.

Chairman Smith asked Mr. Coe for more specifics as to his work with EPA in the area of electronics. Mr. Coe stated that EPA is looking at this from a national perspective. They are looking at requiring processors to be certified and inspected. Manufacturers would rather see something on a national level than 50 different rules from each state. EPA is also looking at a national awareness campaign. In Virginia there are 8 vendors providing collection services. There are three manufacturers who offer box up and retake to their customers. There are local government collection programs. He noted that the State recognizes April as electronics recycling month. The state received a 1-time grant from Dell Corporation for \$10,000 to do pilot programs. Mr. Abraham felt that the state legislature needed to know what was developing. Perhaps a study request was in order? Mr. Murphy noted that the Council could only work on such items if requested, therefore DEQ requests that the Council look into reporting the problem to the State. Mr. Murphy offered to ask for a meeting between Council members and the Secretary of Natural Resources. He also felt awareness was a big issue here. The states legislature needs to be aware of the problem but also should be watching what may be coming down to them in the form of Federal regulations. Chairman Smith wants the Council to be proactive on this issue. It was decided that he and Mr. Fidler would work on a report and be the members to meet with the Secretary of Natural Resources. Mr. Murphy advised them to work on a "snapshot" type of presentation defining the problem specific and to be prepared to also offer any possible solutions. Mr. Murphy offered to work on scheduling the meeting.

Handout included

(c.) Topics and Date for February Meeting

The next meeting of the Council was set for March 8 (*Subsequently changed to March 27*). Mr. Murphy will bring back data on other states. The Local Government Assistance Subcommittee will do the survey and report findings. Mr. Coe will help provide SWPU contacts to the subcommittee. Other comments included asking each "industry" representative on the Council to report trends and updates on their commodity with regards to recycling efforts. Mr. Murphy suggested visiting the new sustainability park in the area. It was suggested that the Council continue to receive updates as to national level regulation of electronics recycling processes. Mr. Benedetto offered a tour of his new state of the art recycling facility. The Council will look at scheduling its June meeting at the site.

7. Public Comment

Since there were no members of the public in attendance, there were no comments.

8. Adjourn

Mr. Benedetto made motion to adjourn the meeting at approximately 12:20 P.M.
Chairman Smith seconded. All members voted in favor of the motion.